

LIST OF PLAYERS

<u>Entity</u>	<u>Location</u>	<u>Primary Persons/Members</u>
1. Archer Daniels Midland (ADM)	Decatur, Illinois	Ed Harjehausen
2. ADM Ingredients	Kent, England	Dirk Bok
3. CBI Producers Group	Various	Gasohol/Jamaica Ethanol (JEPCO)/LAICA/Man/Petrojam/WPI
4. ED & F Man Alcohols	London, England	Jeff Tuite
5. European Union (DG VI)	Brussels, Belgium	Rudy Van der Stappen, Russell Mildon and Alexander Tilgenkamp
6. Gasohol	El Salvador	Gerry Balzaretti Kriete
7. IOP Associates	Gainesville, VA	George Fitch
8. LAICA/Hogan & Co.	Costa Rica	Herbert Wolf/Tony Hogan
9. Petrojam	Jamaica	Byron Shirley
10. Regent International/ Western Ethanol Co. (WEC)/ Western Petroleum Importers (WPI)	Brea, California/ El Salvador	Dick Vind Doug Vind

Memo

To: Herbert Wolf
From: Doug Vind ^{gav}
Date: September 29, 2000
Pages: 2 + 3
Re: Sales Opportunity – **REQUIRES IMMEDIATE ATTENTION / RESPONSE**

Further to our telephone conversation of today, I am writing to inform you of the details of a sales opportunity for LAICA's anhydrous alcohol. In order to participate in this opportunity, I must hear back from you by no later than close of business on Tuesday October 2nd.

British Petroleum ("BP") has scheduled an on-line reverse auction to be conducted via the internet next week. They are requesting pre-qualified ethanol suppliers to bid on supplying product into the Ohio and Washington State markets beginning November 2000 and running through January 2001. We are interested in bidding to supply a portion of the volume requested into Washington State. This Lot is broken into partial supply percentages of 10,25,50 and 100%. The total volume requested for Washington State is 9,600,000 gallons over the 3 month period.

I am specifically recommending that LAICA consider committing to this reverse auction the 38,000 HL it has scheduled to receive from Europe. I believe this feedstock will arrive Costa Rica sometime during the month of November and be available for delivery into the US in December.

The delivery of denatured ethanol to BP into Washington State can only be made by either Railcar or Barge. Direct deliveries of undenatured ethanol cannot be accepted. For this reason, WEC is prepared to source railcars of domestic ethanol in order to supplement the volume coming from LAICA. This would allow us to bid on up to 25% of the requested volume, for a total of 2,400,000 gallons. We are also in discussion with Man with regard to their participation for a small piece of this business.

I expect that the winning bid for the 25% volume will be somewhere in the upper \$1.30's to low \$1.40's. We are prepared to stop bidding should the price drop below \$1.38 per gallon. As I mentioned above, the delivery mode into Washington State allows for only barge or railcar. In view of this, it will be necessary to first discharge and denature the imported ethanol. We then will schedule a barge to transport the denatured ethanol to BP's terminal in Seattle. I am in the process of verifying the barging, terminaling and denaturing costs but I have been given a range of \$.03 - \$.04 per gallon. I should have this information on Monday.

I believe that the BP "Request for Quotation" presents a very good sales opportunity for LAICA's anhydrous alcohol. However, in order to participate in the on-line auction, WEC needs to receive LAICA's commitment to supply the 38,000 HL. **We must obtain LAICA's commitment to this program by no later than close of business next Tuesday.**

For your guidance, I have enclosed a listing of the Lots to be included in the Reverse Auction. As you will notice, we will be required to participate in a "Qualifying Round" of bidding on Wednesday September 3rd. This will enable us to move on to the competitive bidding event scheduled for Friday September 5th.

I greatly appreciate your presenting this proposal to your Board of Directors on Monday. I will be in my office and be prepared to answer any further questions regarding this matter.

Best regards,


Douglas Vind

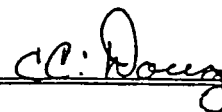
REGENT INTERNATIONAL

Sent Via Fax

November 20, 1995

TO: Dick Bok
ADM Ingredients

FROM: Dick Vind



Finally received a phone call from Tuite at 3:30 PM PDT USA. Jeff stated he had at last been successful in talking to the Kriete's and they have agreed to split the tender with us.

Jeff's only reservation was that Kriete insisted that Man be the purchaser of the tender. In order to avoid a "show down" or bidding contest, I agreed to this request.

Therefore, Man will be bidding on the 75,000 hl out of France at a price of 5.02. I would suggest that ADM underbid at a price of 4.85. This will serve as a safety net in the event Man's bid is rejected for any reason. As a reminder, bids are due in this Thursday, November 23.

With regards to the sharing, I made it explicitly clear to Jeff that we (ADM & Western) would be purchasing the product FOB Port-la-Nouvelle from Man on a totally transparent basis. We would then assume responsibility for our own shipping which presumably we would be able to coordinate jointly in the future.

I would suggest you contact Tuite tomorrow at your convenience to confirm and request a signed agreement between both parties in order to assure compliance with this accord.

Best regards,



#00138

Date June 7, 1996

To. Dick Bok via fax

From. Dick Vind

Subject EU Wine Alcohol Tender Due date June 24

This will confirm that ADM will be bidding 5.9 ecu Spanish tender (194-96) and somewhat less, (say 5.75) on Italian tender (195-96)

I assume you have discussed with Man, and that all is OK. Please call if this is not the case

Hope all is well

Best regards,



Dick

cc: Doug Vind

REGENT INTERNATIONAL

Wick
Tender

MEMORANDUM

Sent Via Fax
217/424-5978

March 18, 1992

TO: Ed Harjehausen
Archer Daniels Midland Co.

FROM: Doug Vind

Per our previous discussion, I have prepared a price and cost comparison demonstrating the sensitivity of the proposed bid price options and the resulting "out turned" finished ethanol costs FOB Acajulta, El Salvador.

FOB COST CALCULATION

	<u>4.2</u>	<u>4.3</u>	<u>4.4</u>
Bid Price (ECUs) Per Hectoliter			
Bid Price (\$ per gallon)	.2336	.2392	.2448
Fobbing	.1700	.1700	.1700
Ocean Freight (in)	.1350	.1350	.1350
Inland Truck Freight (in)	<u>.0147</u>	<u>.0147</u>	<u>.0147</u>
Raw Material Cost	.5533	.5589	.5645
Processing Costs	<u>.3800</u>	<u>.3825</u>	<u>.3850</u>
FOB Value Plant	.9333	.9414	.9495
Inland Truck Freight (out)	<u>.0147</u>	<u>.0147</u>	<u>.0147</u>
FOB Cost Port (Acajulta)	.9480	.9561	.9642

2910

VALUE ADDED CALCULATION

Direct Costs	.3450	.3475	.3500
Divided By FOB Val. Plant	<u>.9333</u>	<u>.9414</u>	<u>.9495</u>
Value Added	36.9%	36.9%	36.9%

Ed, as the previous example illustrates, a .1 ECU per hectoliter change in our bid price results in approximately a \$.008 per gallon change in total FOB out turned value. For purposes of this analysis, I have targeted a value added percentage of 36.9%. This percentage should be adjusted to reflect our mutual comfort level in order not to jeopardize duty free qualifications. As one further observation, please note the difference between "processing costs" and "direct costs". This difference results from customs guidelines limiting only certain types of costs as "direct" and applicable to the Value Added calculation.

Recommendation: In reviewing the three lots being offered by the EC for this tender, I suggest we bid "competitively" on lot number 77 and submit lower priced bids on lots 75 and 76 as "back up" bids in the event other potential purchasers fail in their attempt to secure these two lots.

I recommend our bid price on lot number 77 should be 4.15 ECUs per hectoliter. I recommend our bid price on lots number 75 and 76 should be 4.10 ECUs per hectoliter each.

As you are aware, our bids must be formally submitted by Friday, March 20, 1992. It will, therefore, be necessary to communicate this pricing information to your office in London by our close of business on Thursday.

Please give me a call with your recommendations after you have reviewed this memo.

Regards,



PETROJAM LIMITED

90 MARCUS GARVEY DRIVE, P.O. BOX 241, KINGSTON, JAMAICA
Cable Address: Petrojam 2119, Tel: (809) 923-8811-3/923-4740-9/923-8814-18, Fax: (809) 923-5698

May 6, 1992

IOP Associates Inc.
416 Deborah Drive
Gainsville, Virginia 22086
U.S.A.

ATTN: Mr. George Fitch

Dear Sirs:

Re: April 30 Meeting in Miami between Representatives of Regent
International and Petrojam Limited

I tried getting you by phone to discuss your May 2 letter which contained matters discussed at the subject meeting. For purposes of clarification, we wish to state the conclusions that Petrojam understood from the discussions:

Those were:

- + The meeting was worthwhile and constructive and established a basis for a relationship based on cooperation, trust and respect.
- + The proposal to form a council or formal association of CBI ethanol producers was rejected on the basis that such an association would not be appropriate at this time.
- + Agreement was reached with regard to cooperation on matters related to the EC tenders and bidding.
- + Each CBI producer would continue to maintain its individual contact with the Commission.
- + More information was needed re the status of Tropicana, the GATT negotiations, the alleged 4.8 million HL of alcohol that may be available in Europe, the amount of alcohol available to the EC for tendering for 1993 and 1994 and the 35% value added criteria required on alcohol imports into the U.S.A.
- + We will continue to share information and cooperate on areas of mutual interest on an informal basis.

DIRECTORS: Colin Campbell, Noel da Costa (Chairman), Fernando de Peraltto, I.L.J. Fenton (Managing), Karl James, Dr. Vincent Lawrence, Mrs. Andrea Neumbard, Godfrey Perkins, Derrick White

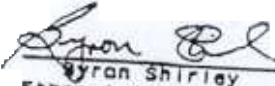
As discussed, it was Petrojam's position that joint representations or joint communiques should be avoided, except in specific areas of mutual interest where there was the explicit agreement of each of the CBI producers.

We would suggest also that any correspondence between ourselves be limited to the CBI producers to avoid the possibility of misunderstandings or misinterpretations by others.

Petrojam is in the process of seeking further information on some of the areas identified during our meeting and we look forward to sharing this with you as we move toward taking a position on them. In this regard, we look forward to receiving data on the 35% value added criteria that Dick Vind promised to provide.

It was indeed a pleasurable occasion meeting with both you and Dick Vind and we look forward to a mutually beneficial relationship in the future.

Yours very truly,
PETROJAM LIMITED


Byron Shirley
Ethanol Coordinator

BCS:mp

Copy to: Mr. A. Hogan - Hogan & Co.
Mr. R. Vind - Regent Intl.



ED & F MAN ALCOHOLS

FAX TRANSMISSION FORM

To	Regent International Brea	Fax No.
Attn.	Mr Dick Vind	01017149900418
From	Jeffrey Tuite	
Date	13th May 1993	
Copy :		No. of pages to follow : -

El Salvador

On Tuesday evening I talked to the Kriets and here is what was said.

They were still keen to make a bid on these tenders.. I cautioned once more against this. I said that Man would be able to offer a compromise wherein Man offered 1 million gallons when thier plant was up and running. This would come from these tenders and they would buy from Man and the alcohol would be supplied equally by Vind and Hogan. Ideally it would be swap deal with them returning the ethanol next time around. In return it was expected that they did not interfere with these tenders.

The Kriete response was that they were still very nervous about being outmanouvered and that we would block any alcohol for them from the next round of June/July tenders. I said that this was not the case and that if they could persuade the Commission to call five lots next time we would support them.

In summary Kriete is prepared to stay away from these tenders if Man can guarantee that they will get 1.4 million gallons from these tenders on a straight sale basis. I said that 1 million gallons was more realistic. Tony Hogan is prepared to make a straight sale and feels that this commits him less to Krite and there is the point that Kriet may not get any alcohol to return for one reason or another. My recommendation to you is to make available a straight 500,000 gallons sale (preferably 750,000 !) without strings and I feel this will mend things.

Sugar Quay Lower Thames Street London EC1R 6DU
Tel 071-285 3000 Telex 885431 EDFMAN G Fax 071-338 0623

Registered in England No 2657807

A member of the E D & F Man Group

MAN ALCOHOLS

18:54 FAX 071 867 0774

70007

Can I please have your agreement to do this. I already have Tony's agreement. Naturally Man will secure ADM's P Bond risk for this sale.

I talked to George Fitch in Brussels today who is suffering the usual frustration one gets in Brussels. He had little to add to your fax of yesterday.

I will call you latter when I get home.

Best Regards

A handwritten signature, possibly 'A', with a long diagonal stroke extending upwards and to the right.



E D & F MAN ALCOHOLS

To Petrojam
Rn Byron

To	IOP Associates		Fax No
Att	Mr George Fitch		
From	Jeffrey Tuite		
Date	21st February '94		
Copy :	CBI Group	No. of pages to follow : +	

Good Day

Very many thanks for your fax today.

A couple of comments without too much thought.

Firstly it may suit us to take all the alcohol at one go. It seems that we can find enough storage either in the Caribbean or Europe to match the task. I would suggest that it may be possible at a European oil terminal to have the alcohol technically exported from the EC for GATT purposes and held in suspense in a customs free zone but I can check on this. I know that Byron has identified some storage in the Caribbean and we looked at the Bahamas but the price was extortionate. Naturally it would be better to try to negotiate the liftings between now and July '95 from a cost point of view but we could make a gesture and remove a good chunk straight away because we all probably want to gear up for supplies for the rest of '94 anyway. We must also bear in mind that we must push for the normal sales in addition to the 3.5m. All in all we could have to ship 6m HL in one year and that's why I'm convinced that Israel will get 1m at least.

Regarding the point on buying as a Group how do we operate the mechanics of this? Do we set up 'CBI Group Europe Limited' which makes a bid, is equally owned by all the players and has subcontracts with each of the players to supply alcohol? How would such a company be funded? Who would place the bonds, we are talking USD 95m! The cost and fobbing comes to another USD 35m. Then there's financing! This is only the 3.5 remember. I think our company would consider funding the operation if invited but of course on commercial terms. My opinion is that to have one company to bid would be to transparent for the EC and would

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Tel 071-285 3114 Telex 885431 EDPMAN G Fax 071-867 0774

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A division of E D & F Man Liquid Products Ltd

STOBOL MAN NVN

22/02 84 10:33 FAX 071 867 0774

T00/T00

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give them a legal problem so we may have to go back to a couple of bidders or bidding in the usual way. Certainly we could push for interchangeability between East coast and West coast to facilitate swapping etc..

Certainly I think it's vital to tie the deal up so that we do not attract more Caribbean players into the business at the last moment.

In terms of price the EU have to understand that the costs of this operation will be greater than our normal costs and this will impact on the price. On the other hand we acknowledge that they will give us security of supply. Fortunately, or unfortunately, depending on your view, we are in the pits of the US market at the moment and this is probably a good time to negotiate the price based on the current market and the idea of a formula would be difficult for us to work if the EU want lifting within say twelve months.

I'm afraid these are not constructive thoughts, just first thoughts along obvious lines and I will be back with more !

Incidentally, it would be better to have the meeting with Commission in the middle of the week ie 3rd March. This gives us more time to travel, get organised and meet prior to the EU.

Best Regards

A handwritten signature in blue ink, consisting of a stylized 'V' or 'W' shape with a diagonal line crossing through it.

REGENT INTERNATIONAL

Sent Via Fax

April 6, 1994

MEMORANDUM

TO: DICK BOK
FROM: RICHARD VIND
SUBJECT: CBI TENDERS

EEC

I appreciate your quick response. Given the politics in the EU,
I agree we should prepare "bids as usual".

As mentioned in our conversation this AM, I will have price information for you on or before April 14.

My travel plans now are to go to Europe the week of April 18. Meetings in Brussels probably 19/20.

I will not know my exact travel plans until probably April 12 so I will communicate my itinerary along with pricing information prior to April 14 to your office.

Best regards,



Monday, July 13, 1998

24
Tul
Western Petroleum
Importers Inc.

Fax

To: Jeff Tuite

From: Doug Vind

Fax: 44-1-71-285-3655

Pages: 1

I had hoped to hear from you today regarding the situation that has developed in the Northwest. You can imagine my surprise and disappointment today to learn that the "deal" I have been discussing with you for the past several weeks involving the shipment out of Costa Rica and El Salvador had already been concluded last week. You can also imagine my embarrassment with my customer when I called them today to firm up the transaction only to learn that they had been offered product which I had been previously told was not available.

My current frustration with the recent sequence of events is matched only by the humiliation of relying on what was indicated as timely and accurate information, representing that information as fact, and having my credibility at risk when the "facts" changed.

As you are aware, I have been actively working with your office in seeking a vessel to accommodate the delivery of both parcels. Because the sale was to involve a direct contract between Man and the customer, I revealed the targeted value for the product to you for your concurrence, which you provided. Late last week I attempted to reach you several times to discuss this matter but did not receive the benefit of a return call. As it turns out, you had already concluded this transaction but elected not to inform me. A simple call would have saved me from looking foolish today.

At this point I need to reconfirm your commitment to providing the 900,000 gallons out of El Salvador in a joint shipment sometime on or after mid August. As I have already actively represented this volume as available for delivery, I would prefer to avoid a repeat of today's confusion in the event you have made other unilateral arrangements.

Additionally, I wish to discuss this entire situation with you in greater detail in order to try and understand exactly how things got off track. Please call me at your soonest opportunity.

4795

Date: November 13, 1995

To: George Fitch

From: Dick Vind

Subject: DGVI "Doublespeak"

Please review the enclosed articles from a recent [October 20, 1995] issue of *Agra Europe* Magazine.

This article seems to completely refute Alex's comments made to us at our meeting of last week. Although the lead paragraph is not easily readable because the fax machine "ate" it, what it says is that The Commission is increasing the amount of compulsory distillation for this coming year [1995-96] versus last year [1994-95] by 137,000 HL. Although small, it nonetheless is a definite increase, and shows that the total amount of alcohol to be distilled via compulsory distillation for the three primary countries of Italy, Spain and France for this coming year will be a total of 5,400,000 HL.

It must be further noted that this year's total wine production for these three countries is estimated to be 131,900,000 HL versus last year's 130,927,000 HL. With compulsory distillation being 4% of the total, if you take the total EU wine production of 155,400,000, this means that a total of 6,216,000 HL will be available for EU stocks this coming year.

It is apparent that there will continue to be significant overproduction in the EU for years to come, in that the Commission's efforts to reduce production have failed.

On a related matter, I have reviewed your memo to the CBI group. Your suggestion on opening up future tenders to avoid the GATT limits are troubling unless we couple it with some type of end-use restriction. This is because, as you can also see from the second article, notwithstanding what Tuite said at the meeting, it appears that the Brazilians will be back into the market in a big way next year. Unless we place some type of restriction on end-use, they'll easily outbid us for the entire EU output.

What happened to our end-use language we discussed with Olsen last year?

I would appreciate your investigating these matters as soon as possible and giving me the benefit of your thoughts. Also, I want to report the results of my meeting with the SENPA folks.

DV

cc: J. Tuite
J. Hogan
B. Shirley

3741